



INDUSTRIES

Natick, Massachusetts Community Outreach Meeting

Proposed Site for Cannabis Retail
42 Worcester Street, Natick, MA 01760

September 21, 2020

Meeting Overview

Introductions

- Host: Ankur Rungta, Chief Executive Officer of C3 Industries
- Moderator: James Freas, Town of Natick

Rules of Engagement

- All participants will be muted with video disabled during the Host's presentation
- Participants will be permitted to ask questions during the Q&A period following the Host's presentation
- Participants who are disruptive or behave inappropriately during the Q&A period will be muted, and if applicable, have their video disabled
- Examples of inappropriate behavior include, but are not limited to: use of vulgar language or use of rude or insensitive words during discussions

Question and Answer Period

- All participants will have an opportunity to ask the Host questions following the presentation
- You may also submit questions to the Co-Host via the live chat feature in Zoom during the meeting
- If you have joined via videoconference, and wish to ask a question following the presentation, please use the “raise hand” feature in Zoom
- For those who have joined the meeting via telephone, during the Q&A portion please dial *9 to raise your hand

Accessibility

- To view closed captions, click the up arrow on the Closed Caption button, then click Show Subtitles
- To enable Keyboard Accessibility, click the up arrow on the Closed Caption button, click Subtitle Settings, then click Keyboard Shortcuts
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C3 Industries Overview

Executive Summary

- C3 Industries (“C3” or the “Company”) is a vertically-integrated operator of licensed cannabis facilities
- C3 is highly experienced in the cannabis industry and operates a portfolio of retail stores and multiple large production facilities
- The Company has entered into an agreement to lease a unit located at 42 Worcester Street in Natick; based on Natick zoning bylaws, this site allows for cannabis retail use
- We believe that C3 is a perfect fit for the Natick community, and we have a track record of working closely with the communities we operate in
- We operate high-quality, compliant and safe cannabis businesses

Founder Biography

- C3 Industries is a family-run and minority-founded business
- Founded by myself and my brother Vishal and our third partner Joel Ruggiero
- The company is headquartered in Ann Arbor, Michigan where I live with my wife and two children
- My mom and dad came to the US from India in 1975 as recently married 20-year olds with limited resources and no family in this country
- My dad studied engineering and went on to work in the auto industry at GM and Ford plants in Western New York and Michigan
- Our parents taught us the value of hard work and education and my brother and I both went to school at the University of Michigan
- We both were able to find jobs in finance and went on to build successful careers and reputations

Founding Team



Ankur Rungta

CEO

- Accomplished entrepreneur with experience across industries including law, real estate, media & cannabis

MOELIS & COMPANY SULLIVAN & CROMWELL LLP

Highlights:

- Investment Banker at Moelis & Company specializing in real estate
- Attorney in the NYC Corporate Group of Sullivan & Cromwell



Vishal Rungta

President & CFO

- Accomplished entrepreneur with experience across industries including finance, tech, media and cannabis

Google MOELIS & COMPANY TPG

Highlights:

- Business Operations and Strategy at Google
- Private Equity Associate at TPG Growth
- Investment Banker at Moelis & Company, focused on restructuring and capital markets



Joel Ruggiero

Chief Horticultural Officer

- Cannabis cultivation expert with years of experience in the industry



Highlights:

- Award-winning Head of Cultivation at The Green Solution, a leading cannabis producer in Colorado
- Managed a 50,000 square foot cultivation facility
- Consulted on design, build out and operations in multiple states

Massachusetts Platform

- C3 has spent over two years developing a vertically-integrated Massachusetts platform
- We have a host agreement in place with Franklin for cultivation and manufacturing; we are currently in construction on a 37,000 square foot facility that will go into operation in Q2 of 2021
- The Franklin facility will produce high quality cannabis products and will supply our three retail locations in Massachusetts
- We have a host agreement in place for retail with the Town of Berlin; that location will open in the summer of 2021
- We are in the final stages of the community process for a location in Dorchester and expect to be considered by the Boston Cannabis Board in October
- Our hope is that Natick will be our third and final retail location in Massachusetts

Company Profile

The company has built a strong platform for continued growth and is capitalizing on the success in OR and MI to replicate a nearly identical facility in MA and soon in MO



Cultivation & Processing



Oregon



Michigan



Massachusetts



Missouri



- 36,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Acquired wholesale license and began selling to third-party brands in 2019



- High quality hydrocarbon processing lab under development



- Distributing wholesale flower and product to over 150 physical store locations



- 35,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Operations began in November 2019



- High volume hydrocarbon and distillate processing as well as infused products



- Adjacent facility site available for expansion to quadruple production; exploring capital options to finance the expansion



- Building 37,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Targeting launch of operations in Q2 2021



- High volume hydrocarbon and distillate processing as well as infused products



- C3 was awarded an infused product manufacturing license, with target launch of early 2021



- Seeking to acquire a cultivation license and in discussion with a number of groups



- Partnered with leading industrial developer in St. Louis who has committed to developing build-to-suit facility for C3

Company Profile

The Company has built a strong platform for continued growth and was recently awarded 5 competitive dispensary licenses in Missouri



Retail



- Completing acquisition of an existing store in Portland in next 2 months
- Negotiating terms on additional existing dispensaries for sale
- Opportunistically targeting portfolio of up to 3 - 5 stores in the greater Portland market



- Locations operating in Ann Arbor, Detroit, Buchanan and Grant; fifth location opening in Grand Rapids
- 5+ additional locations secured and in local licensing
- Targeting a total retail portfolio of 10+ stores in MI
- Management team connected and knowledgeable in the local market – HQ in Ann Arbor, MI



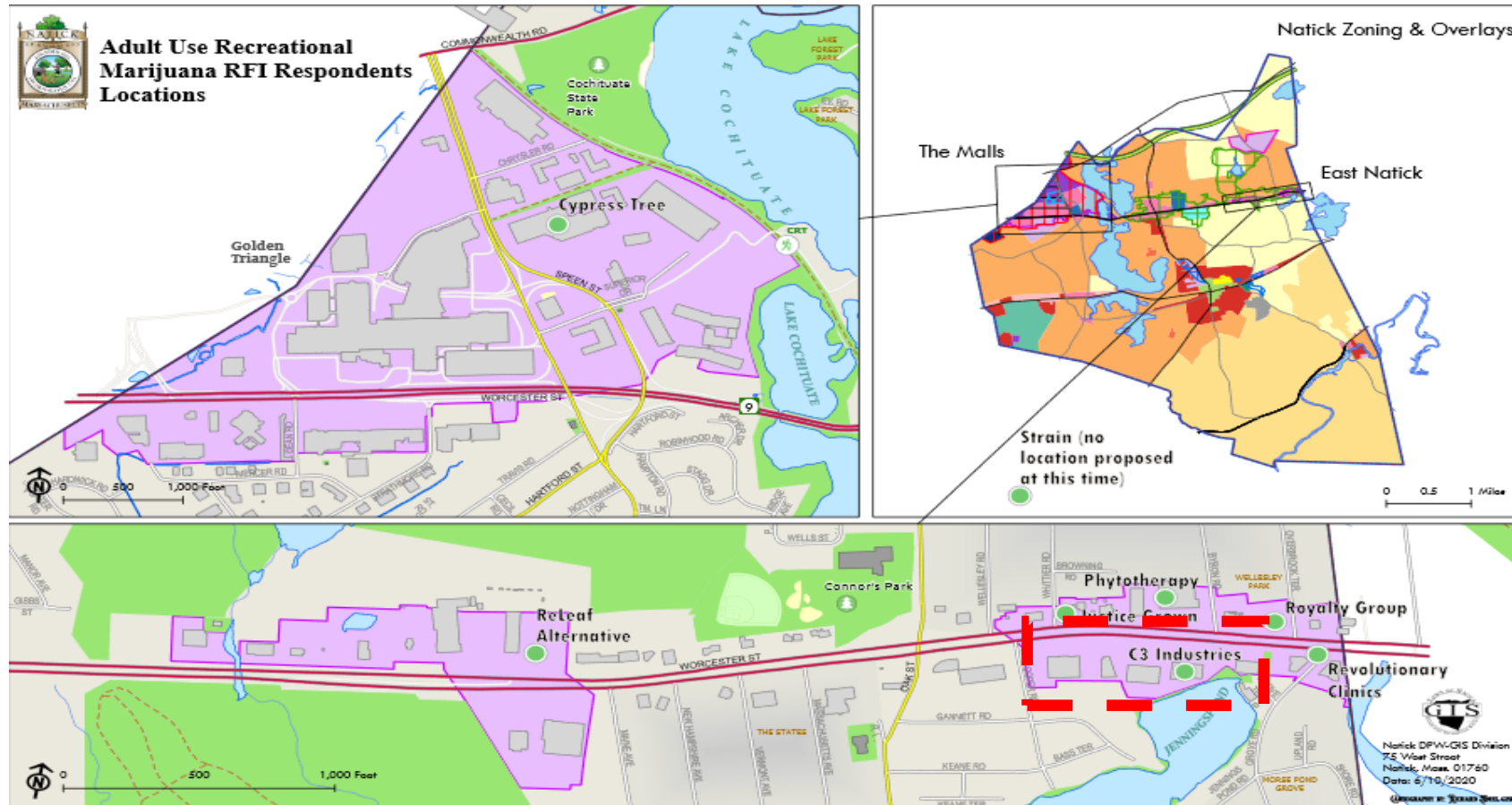
- Regulations allow for 3 retail stores
- Host agreement in place for retail location in Berlin
- In final stages of community process for location in Dorchester
- Partnered with local real estate development team with strong relationships in the market



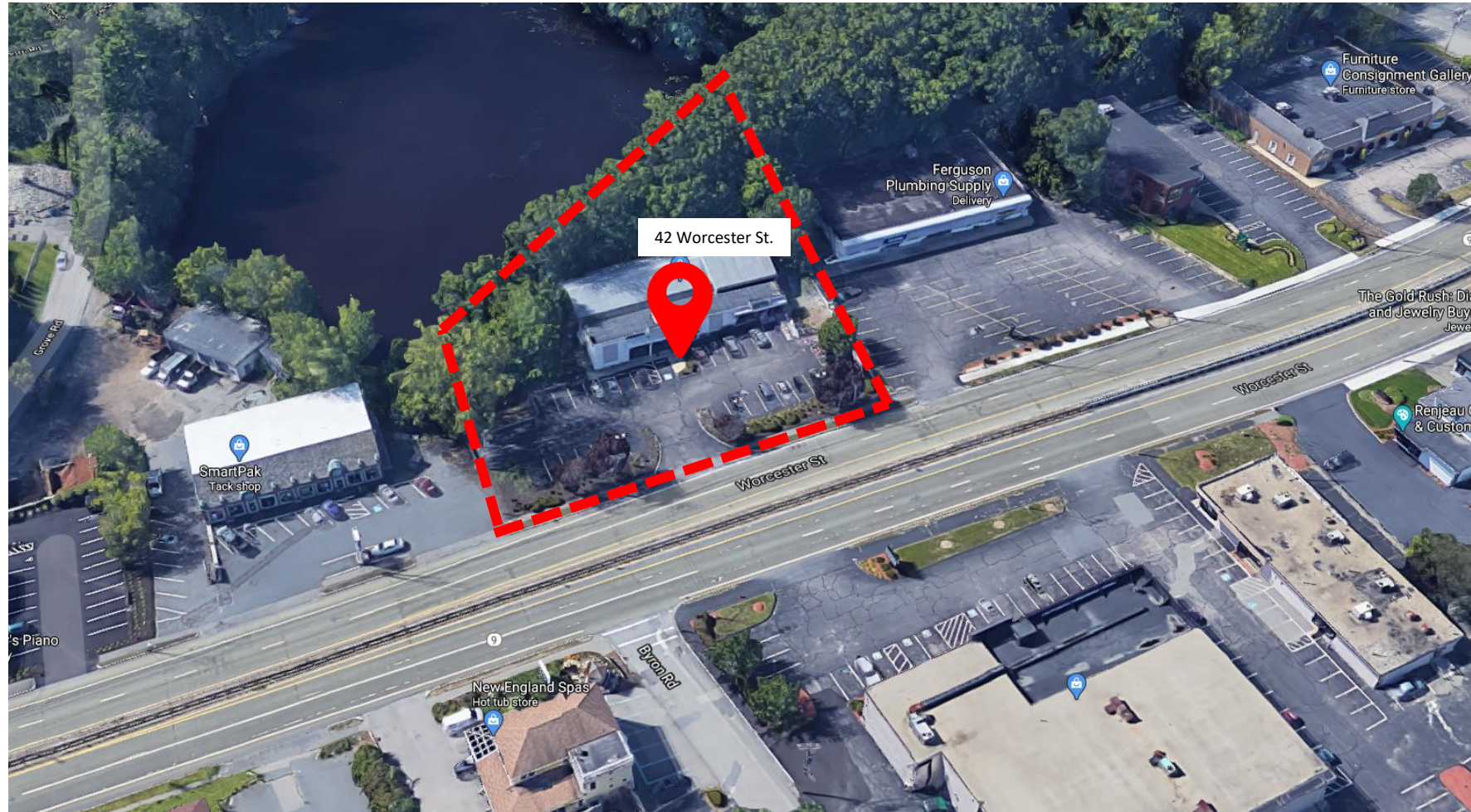
- Regulations allow for a single group to hold up to 5 retail licenses
- C3 was awarded 5 retail licenses, one of the few groups in MO that won the maximum number allowed
- The 5 licenses have leases on attractive locations in Sunset Hills (St. Louis), St. Charles, Columbia, St. Robert and Cape Girardeau

Site Overview

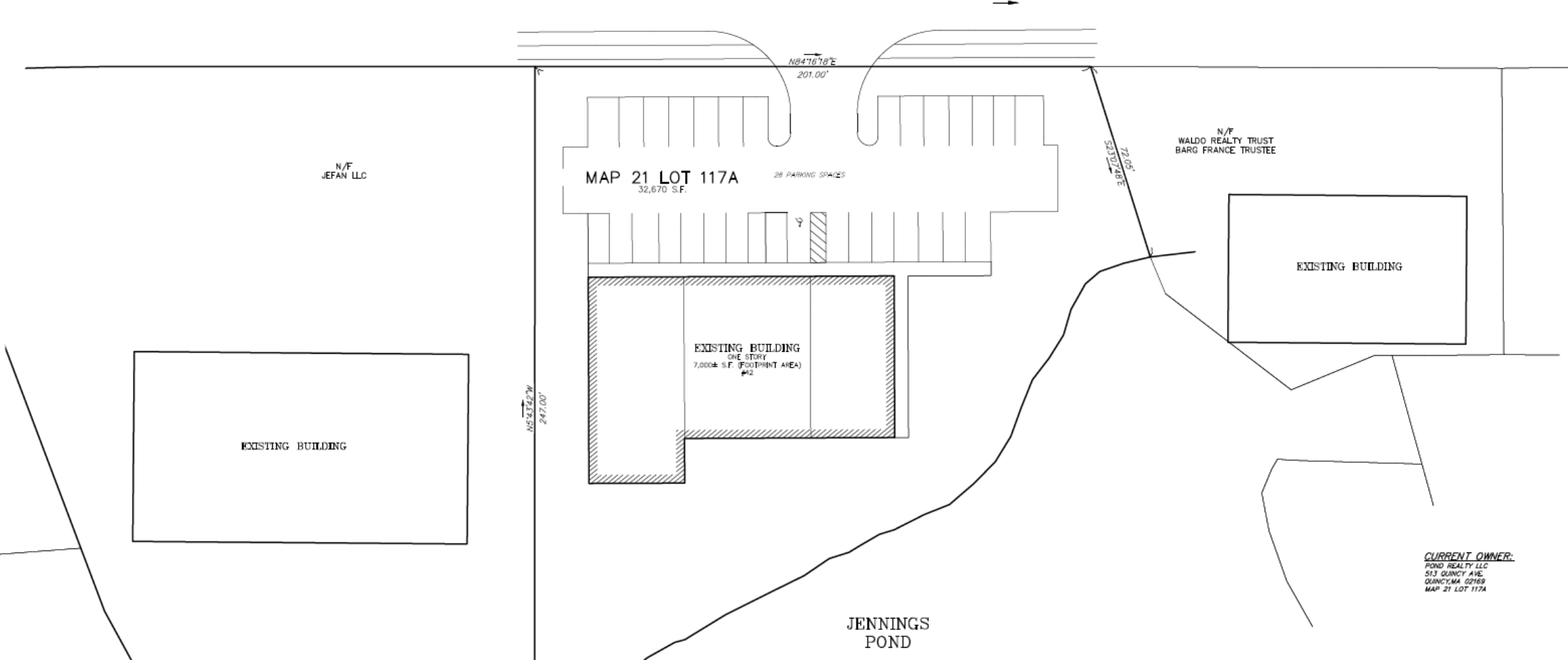
Location Overview



Site Overview



Site Survey



Site Renderings



Site Renderings (cont'd)



Site Highlights

- We believe that the site is very well suited for the proposed use based on the zoning by-law and general land-use considerations
- The site is not abutting any sensitive uses specified in the by-law or infringing on any residential uses or neighborhoods
- The site is in a highly commercial area and in an easily accessible location and will not cause any additional traffic in nearby residential neighborhoods
- The site has ample parking available with 30 spaces; store employees will be offered incentives to use alternative forms of transportation to work and we are also currently exploring off-site parking arrangements for employees as well

Parking and Traffic

- As mentioned, the site allows for a good amount of parking, with a total of 30 spaces
- If we move forward, as part of the site plan approval process, we will work with the Town to prepare any necessary parking plans or traffic studies
- It will likely take us 15+ months from now to open given the timeline for the Natick and state licensing process and building out the space
- There are currently 75 recreational cannabis retail stores open in the state and another 194 final/provisional licenses that have been issued for new approved locations, with many more new applications in the queue
- Neighboring communities including Framingham, Newton, Marlborough and others have approved many retail locations
- By the time we open in 2022, the area will have many retail options and we will largely be a store for the local community, with normalized levels of customer volume

Good Neighbor Plan



Security Overview

- C3 will implement a number of security measures to ensure the safety of its employees and visitors and the community and prevent unauthorized access
- The facility will be completely enclosed and secure with all exterior doors equipped with commercial grade locks
- Strict policies and procedures with regard to facility access with specific protocols for employees, contractors and guests
- Video surveillance
- Alarm system with panic buttons and monitoring by third-party security firm as well as local law enforcement and fire department
- Store employees stationed at entrance to monitor store exterior and ensure no parking / double-parking violations, loitering or other undesirable activity

Odor and Litter Considerations

- Odor Control
 - The proposed facility will have a new mechanical system that will feature the latest in carbon filtration technologies to mitigate any odor released from cannabis products
 - Retail cannabis stores produce very limited odor
 - Strict odor-related requirements have been included in the state's cannabis regulations and we meet all requirements
- Litter Control
 - Daily (generally prior to opening for business) grounds patrol to pick up unwanted papers, plastics or other unsightly trash
 - Installation of trash receptacles at main points of entry and exit to promote proper waste disposal

Loitering and Parking Control

- C3 Industries will proactively manage loitering and/or illegal parking near the property with multiple approaches
- One or more facility employees will be posted at the entrance to the facility to monitor the outside area and manage flow of customers
- “No Loitering” and “No Parking” signs will be posted at building entry points and other exterior locations
- Exterior security surveillance equipment will be installed
- Company employees will monitor external surveillance cameras routinely throughout the day
- The property will be kept neat and well-maintained
- Customers will NOT be able to use cannabis products on site

Prevention of Diversion to Minors

- The company will only provide access to the facility to individuals 21 years of age or older
 - All employees will have age verified upon hiring and only individuals 21 years of age or older will be eligible for employment with the company
- Upon entry to the facility, all visitors (including guests, contractors, and vendors) must check-in and provide identification to access the facility
- As part of onboarding, each check-in employee will be trained on:
 - Acceptable forms of customer identification
 - Identifying counterfeit identification and identification alterations

Community Partnership



Community Partnership

- The Company has a demonstrated track record of working closely with the communities it operates in, including in Massachusetts with Franklin and Berlin
- The Company's principals are respected and active members in their communities with a history of community service and good corporate citizenship
- C3 will be an active and contributing member of the Natick business community and I will be the primary point of contact for the Town
- C3 will contribute in both financial and other ways to the community

Positive Impact on Community

- Enter into a Host Community Agreement that provides for a 3% tax on gross revenues to be paid to the Town of Natick
- Commit to a minimum annual charitable contribution of \$25,000 to local organizations for at least five years
- Hire most employees from local area and provide a living wage and comprehensive benefits package
- Implement positive impact and diversity plans that will be submitted as part of the state licensing application and designed to benefit the local community and disadvantaged groups
- Host community education event at least once a year

Why Natick?

- We first identified Natick as a community we wanted to be part of back in early 2019; we have been leasing our unit since then and waiting for the local application process to commence
- As a private, family-run, mid-sized company with experience in multiple licensed states, we thought we could be a perfect fit for Natick
- Ankur and Vishal are extremely hands-on and lead all community partnership efforts directly; this a key priority for the Company
- Natick fits perfectly into our portfolio in Massachusetts with our nearby production facility in Franklin and complementary other retail locations in Berlin and Dorchester

Hiring and Compensation

- The Company will create a significant number of full-time, living wage jobs
- The Company estimates it will hire up to 30 full-time and part-time employees at the Center, with additional support from our corporate team
- Total payroll for this location will be close to \$1M per year
- The Company will seek to employ a majority of its workforce from the local community (specifically candidates that reside within the Town of Natick) and the vast majority of its workforce will be from within the local area
- The Company will encourage applications from, and the recruitment of, women and minority candidates

Partnership with Law Enforcement

- C3 will implement very strict security measures per CCC rules and regulations to ensure the safety of its employees and visitors and the community and prevent unauthorized access to limited access areas
- C3 will work closely with local law enforcement to incorporate any feedback or recommendations on security processes and procedures
- C3 will provide local law enforcement with direct real-time access to the store's video surveillance system

Why C3 Industries?

Real Experience and Strong Leadership

- C3 operates multiple large production facilities and a portfolio of retail stores; it is important to distinguish companies with actual operating assets from those that hold licenses but have limited operations
- Our business has substantial revenue and is highly profitable, which is uncommon in the cannabis industry
- We have a strong platform in Massachusetts with our production facility in Franklin and our other retail locations in Berlin and Dorchester
- Our leadership team comes from strong backgrounds and has strong ties to the local area with a history of community service
- Ankur and Vishal will personally ensure that our operations will be best-in-class and that we will be a positive contributing member of the Natick community

Good Fit and Community Partner

- The Company has demonstrated its ability to work with communities like Natick and has an unblemished track record of operations in cannabis
- We are offering significant financial contributions with the 3% tax and the minimum \$25,000 per year charitable contributions
- Our Company is private and family-run and our executive team is extremely hands-on
- We will work closely with the Town of Natick leadership and constantly be incorporating feedback to improve our operations
- Ankur will be personally available at any time if issues arise and will have a strong personal presence locally